

**PROPOSED AMENDMENTS TO REGULATIONS 15A.010, 15A.060, and
15A.190; PROPOSED NEW REGULATION 15A.065; and
PROPOSED DELETION OF REGULATIONS 15A.050 and 15A.100**

PURPOSE: To delete provisions applicable to limited partnership licensees and controlled affiliates of such limited partnership licensees; to adopt regulations setting out registration and licensing requirements for limited partners of limited partnerships holding less than a 5 percent ownership interest in the limited partnership; to make changes to the requirements concerning licensing and/or registration of limited partnership holding companies and limited partners of limited partnership holding companies; to set out the investigative fees for such changes; to waive certain requirements regarding registration of holding companies with the commission; to delete the regulatory prohibition concerning foreign limited partnerships holding a license issued by the commission in line with statutory changes; and to take such additional action as may be necessary and proper to effectuate these stated purposes.

**REGULATION 15A
LIMITED PARTNERSHIP LICENSEES**
(Draft Date September 29, 2011)

New
~~{Deleted}~~

15A.010 Definitions. As used in Regulation 15A:

1. No Change.
2. No Change.
3. No Change.
4. No Change.
5. No Change.
6. No Change.
7. No Change.
8. No Change.

9. ~~“Foreign limited partnership” means a partnership formed under the laws of any state of the United States other than this state or any foreign country and having as partners one or more general partners and one or more limited partners.~~

~~10.~~ 10. “Holding company” means, in addition to the definition set forth in NRS 463.485, a limited partnership that owns or has the power or right to control all or any part of the outstanding securities of a limited partnership that holds or applies for a state gaming license.

~~11.~~ 11. “Limited partnership” means a partnership formed by two or more persons pursuant to the terms of chapter 88 of NRS, having as members one or more general partners and one or more limited partners.

~~12.~~ 12. “Own,” “hold” and “have” mean the possession of a record or beneficial interest in a limited partnership.

~~[13]~~ 12. "Partnership agreement" means any valid, written agreement of the partners as to the affairs of a limited partnership and the conduct of its business.

~~[14]~~ 13. "Sale" or "sell" includes every contract of sale of, contract to sell, or disposition of, a security or interest in a security whether or not for value. "Sale" or "sell" includes any exchange of securities and any material change in the rights, preferences, privileges or restrictions of or on outstanding securities.

~~[15]~~ 14. The term "security" means any stock; membership in an incorporated association; partnership interest in any limited or general partnership; bond; debenture or other evidence of indebtedness; investment contract; voting trust certificate; certificate of deposit for a security; or, in general, any interest or instrument commonly known as a "security"; or any certificate of interest or participation in, temporary or interim certificate for, receipt for, or warrant or right to subscribe to or purchase, any of the foregoing. All of the foregoing are securities whether or not evidence of indebtedness reported under Regulation 8.130 is a security.

~~**[15A.050 Certain affiliates of limited partnership licenses.**~~

~~1. A limited partnership licensee shall not engage in any act or transaction by virtue of which any limited partnership, corporation, or other form of business organization becomes a controlled affiliate of such limited partnership licensee without the prior approval of the commission.~~

~~2. Subsection 1 shall not apply to any limited partnership of which a licensee is the sole limited partner.]~~

15A.060 Prohibition with respect to ownership of limited partnership licensees. Except as otherwise provided by law, ~~[N]~~no person shall acquire any equity security issued by a limited partnership licensee or a holding company, become a controlling affiliate of a limited partnership licensee or a holding company, become a holding company of a limited partnership licensee or of a holding company without first obtaining the prior approval of the commission in accordance with this Regulation and Regulations 4 and 8.

15A.065 Registration of certain limited partners of limited partnerships.

1. All limited partners with a 5 percent or less ownership interest in a limited partnership licensee must register in that capacity with the board and affirmatively state in writing that they submit to the board's jurisdiction. Such registration must be made on forms prescribed by the chairman. A limited partner who is required to be registered by this section shall apply for registration within 30 days after the limited partner obtains an ownership interest of 5 percent or less in a limited partnership licensee.

2. Registration with the board shall:

(a) Include a completed application for registration form as prescribed by the chairman;

(b) Include fully executed waivers and authorizations as determined necessary by the chairman to investigate the registrant;

(c) Include an affirmative statement that the registrant submits to the jurisdiction of the board;

(d) Include three sets of fingerprints of the registrant;
(e) Be accompanied by a fee to cover registration investigation costs as follows:
(1) For registrations related to 2 or fewer restricted licenses, an investigative fee in the amount of \$550.00 and
(2) For all other registrations, an investigative fee in the amount of \$1,000.00.
→ This fee does not include the application fee or investigation costs should the chairman require the registrant to apply for licensure; and
(f) Include such other information as the chairman may require.

3. The chairman may require a limited partner who is required to be registered by this section to apply for licensure at any time in the chairman's discretion by sending notice through the United States Postal Service to the registrant at the address on the registrant's registration on file with the board and to the limited partnership at the address on file with the commission. If a limited partner required to be registered by this section has not registered and the chairman desires to call the limited partner forward for licensing, the notice shall be sent to the limited partnership at the address on file with the commission. A limited partner shall apply for licensure as required by the chairman within 40 days of the limited partner's receipt of notice. The notice shall be deemed to have been received by the limited partner 5 days after such notice is deposited with the United States Postal Service with the postage thereon prepaid.

4. If a limited partner is required to be registered pursuant to this section and the limited partner fails to register, the chairman shall require the limited partner to apply for licensure pursuant to this section. If a limited partner does not apply for licensure as required by this section, the board and commission shall place the matter on their next available agendas for consideration of whether the limited partner should be licensed.

5. If a limited partner of a limited partnership licensee is a holding company and is required to register with the board under this section, the limited partner is not required to register with the commission pursuant to NRS 463.585 unless the chairman requires the limited partner to apply for licensure.

6. In enacting this regulation section, the commission finds that waiver of NRS 463.585 pursuant to NRS 463.489 is appropriate to the extent required by this section. In making this waiver, the commission finds such waiver is consistent with the state policy set forth in NRS 463.0129 and NRS 463.489 because such waiver is for purposes including but not limited to fostering the growth of the gaming industry which is vitally important to the economy of the State and the general welfare of its inhabitants and broadening the opportunity for investment in gaming. The commission further finds such waiver does not diminish the board's and commission's roles in strictly regulating gaming and effectively controlling the conduct of gaming by business organizations because the board and commission still require, at a minimum, registration with the board of all persons involved with gaming and may call such persons subject to registration with the board forward for licensure, registration with the commission, or findings of suitability.

~~[15A.100 Foreign limited partnership ineligible to hold certain licenses. A foreign limited partnership is not eligible to hold any license issued by the commission pursuant to chapters 463 and 464 of the Nevada Revised Statutes except a manufacturer's license.]~~

15A.190 Licensing of general partners and limited partners of limited partnership holding companies.

1. Each general partner of a limited partnership holding company must be licensed. Each limited partner of a limited partnership holding company must be licensed if the limited partner owns more than 5 percent of any licensee owned by the limited partnership holding company, except to the extent delayed licensing is approved by the commission. For the purposes of this section, "own" means the possession of a record or beneficial interest in any business organization.

2. All limited partners of a limited partnership holding company which own 5 percent or less of any licensee owned by the limited partnership holding company must register in that capacity with the board and affirmatively state in writing that they submit to the board's jurisdiction. Such registration must be made on forms prescribed by the chairman. A limited partner who is required to be registered by this section shall apply for registration within 30 days after the limited partner obtains an ownership interest in the limited partnership holding company.

3. Registration with the board shall:

(a) Include a completed application for registration form as prescribed by the chairman;

(b) Include fully executed waivers and authorizations as determined necessary by the chairman to investigate the registrant;

(c) Include an affirmative statement that the registrant submits to the jurisdiction of the board;

(d) Include three sets of fingerprints of the registrant;

(e) Be accompanied by a fee to cover registration investigation costs as follows:

(1) For registrations related to 2 or fewer restricted licenses, an investigative fee in the amount of \$550.00 and

(2) For all other registrations, an investigative fee in the amount of \$1,000.00.

→ This fee does not include the application fee or investigation costs should the chairman require the registrant to apply for licensure; and

(f) Include such other information as the chairman may require.

4. The chairman may require a limited partner who is required to be registered by this section to apply for licensure at any time in the chairman's discretion by sending notice through the United States Postal Service to the registrant at the address on the registrant's registration on file with the board and to the limited partnership holding company at the address on file with the commission. If a limited partner required to be registered by this section has not registered and the chairman desires to call the limited partner forward for licensing, the notice shall be sent to the limited partnership holding company at the address on file with the commission. A limited partner shall apply for licensure as required by

the chairman within 40 days of the limited partner's receipt of notice. The notice shall be deemed to have been received by the limited partner 5 days after such notice is deposited with the United States Postal Service with the postage thereon prepaid.

5. If a limited partner is required to be registered pursuant to this section and the limited partner fails to register, the chairman shall require the limited partner to apply for licensure pursuant to this section. If a limited partner does not apply for licensure as required by this section, the board and commission shall place the matter on their next available agendas for consideration of whether the limited partner should be licensed.

6. If a limited partner of a limited partnership holding company is also a holding company and is required to register with the board under this section, the limited partner is not required to register with the commission pursuant to NRS 463.585 unless the chairman requires the limited partner to apply for licensure.

7. In enacting this regulation section, the commission finds that waiver of NRS 463.585 pursuant to NRS 463.489 is appropriate to the extent required by this section. In making this waiver, the commission finds such waiver is consistent with the state policy set forth in NRS 463.0129 and NRS 463.489 because such waiver is for purposes including but not limited to fostering the growth of the gaming industry which is vitally important to the economy of the State and the general welfare of its inhabitants and broadening the opportunity for investment in gaming. The commission further finds such waiver does not diminish the board's and commission's roles in strictly regulating gaming and effectively controlling the conduct of gaming by business organizations because the board and commission still require, at a minimum, registration with the board of all persons involved with gaming and may call such persons subject to registration with the board forward for licensure, registration with the commission, or findings of suitability.